The bank has further stated that all issues have been sorted out and settled.

Small Savings Scheme of Post Offices

1702. SHRI KARNENDU BHATTACHARJEE:
SHRI RAMA MUNI REDDY SIRIGIREDDY:

Will the Minister of FINANCE be pleased to state:

(a) the number of occasions when Government resorted to cut in rate of interest on all small saving schemes in post offices and banks together with the details thereof;

(b) the reasons therefor; and

(c) whether Government are aware that such frequent reduction of rate of intertest on small term deposits are likely to have an adverse effect on the growth in small savings besides affecting the income of the salaried group and senior citizens?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The Government has revised the rates of interest on small savings schemes on four occasions in the recent past *viz*: 1.1.1999, 15.1.2000, 1.3.2001 and 1.3.2002, as the real rates of interest on these schemes were considered to be high preventing downward movement of the other rates of interest in the economy. A lower interest rate structure is expected to stimulate growth from which all sections of the society would benefit. Despite the revision in the rates of interest on small savings schemes, collections have continued to grow. Interest rates before and after 1.1.1999 are shown in the statement enclosed.

STATEMENT

Small Savings Schemes, Rate of Interest/Maturity Value etc.

	Name of the Scheme	Per cent Rate of Interest p.a./Maturity Value etc.				
		Prior to 1.1.99	w.e.f. 1.1.99	w.e.f. 15.1.2000	w.e.f. 1.3.2001	w.e.f. 1.3.2002
1.	Post Office Savings Account	5.50	4.50	4.50	3.50	3.50
2.	Post Office Recurring Deposit (5 Years) (Maturity value of a Rs. 10 denomination account) (In Rupees)	833.40	811.15	789.60	758.53	748.49
3.	Post Office Monthly Income Scheme (6 Years)	13.00	12.00	11.00	9.50	9.00
4.	Post Office Time Deposit					
	(a) 1 Years Deposit	10.50	9.00	8.00	7.50	7.25
	(b) 2 Years Deposit	11.00	10.00	9.00	8.00	7.50
	(c) 3 Years Deposit	12.00	11.00	10.00	9.00	8.25
	(d) 5 Years Deposit	12.50	11.50	10.50	9.00	8.50
5.	N.S.C. VIII Issue (6 Years) (Maturity value for a Cft. of Rs. 100 Denomination)	201.50	195.60	190.12	174.52	169.59
6.	National Savings Scheme 1992 (4-Years)	11.00	11.00	10.50	9.00	8.50
7.	Deposit Scheme for Retiring Govt. Employees (3-Years)	10.00	9.00	9.00	8.50	8.00
8.	Deposit Scheme for Retiring Employees of PSUs (3-Yrs)	10.00	9.00	9.00	8.50	8.00
9.	Kisan Vikas Patra	Amt. Doubles in 5.1/2 years	Amt. Doubles in 6 years	Amt. Doubles in 6.1/2 years	Amt. Doubles in 7.1/4 years	Amt. Doubles in 7.2/3 years
10.	Public Provident Fund Scheme (15-Years)	12.00	12.00	11	9.50	9.00